



2011 CALIFORNIA VOLUNTEER REFERENCE MANUAL – Form 540 Section

Form 540 Problem 1 Data Sheet

Form 1040 is included for the following clients. Below is information needed to complete the state tax return.

Client Information

Name:	Christopher Thomas – 000-00-0000
Birth Date:	10/18/1939
	Terrie Thomas – 000-00-0000
	07/04/1949
Address:	1234 Whaler Way Huntington Beach, CA 91234
Phone #:	805.111.1111
Filing Status:	Married Filing Jointly/RDP
Dependents:	None


Additional Information

1. The interest shown on line 8a of Form 1040 (\$500), issued on personal savings accounts, is a joint asset.
2. Christopher and Terrie are full year residents.
3. They itemize deductions for both federal and state. Schedule A is attached.
4. Christopher and Terrie owned a home.
5. Christopher carries over a \$3,000 capital loss from stock sold during 2010.
6. Terrie paid \$2,000 in tuition as a continuing education requirement for her teaching credential.
7. There is a federal married filing jointly tax return to assist you.
8. Christopher and Terrie received a 1099-C for cancellation of \$2,500 in credit card debt. They received a second 1099-C for cancellation of principle mortgage debt. There is no bankruptcy.



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Form 540, Problem 1 W-2 Information for Terrie Thomas

a Control number 22222		Void <input type="checkbox"/>	For Official Use Only OMB No. 1545-0008				Visit the IRS website at www.irs.gov	
b Employer identification number 94-5678786				1 Wages, tips, other compensation 40,000.00		2 Federal income tax withheld 2,500.00		
c Employer's name, address, and ZIP code SCHOOL DISTRICT PO BOX 111 HUNTINGTON BEACH, CA 92648				3 Social security wages 45,000.00		4 Social security tax withheld 2,650.00		
				5 Medicare wages and tips 45,000.00		5 Medicare tax withheld 623.00		
				7 Social security tips		8 Allocated tips		
d Employee's social security number 000-00-0000				9 Advance EIC payment		10 Dependent care benefits		
e Employee's name (first, middle initial, last) TERRIE THOMAS 1234 WHALER WAY HUNTINGTON BEACH, CA 92648				11 Nonqualified plans		12 Benefits included in box 1		
				13 Statutory Employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b		
				14 Other CA SDI 495.00		12c		
						12d		
15 State CA	Employer's state I.D. no. 999999	16 State wages, tips, etc. 40,000.00	17 State income tax 400.00	18 Local wages, tips, etc.	19 Local income	20 Locality		

Form **W-2** Wage and Tax Statement **2011**
Copy 2 For State, City, or Local Tax Department

Department of the Treasury- Internal Revenue Service
For Privacy Act and Paperwork Reduction Act Notice, see separate instructions



2011 CALIFORNIA VOLUNTEER REFERENCE MANUAL – Form 540 Section

Form 1040		Department of the Treasury—Internal Revenue Service (99)		2011	OMB No. 1545-0074	IRS Use Only—Do not write or staple in this space.
For the year Jan. 1–Dec. 31, 2011, or other tax year beginning , 2011, ending , 20						See separate instructions.
Your first name and initial CHRISTOPHER		Last name THOMAS		Your social security number 0 0 0 0 0 0 0 0		
If a joint return, spouse's first name and initial TERRIE		Last name THOMAS		Spouse's social security number 0 0 0 0 0 0 0 0		
Home address (number and street). If you have a P.O. box, see instructions. 1234 WHALER WAY				Apt. no.	▲ Make sure the SSN(s) above and on line 6c are correct.	
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). HUNTINGTON BEACH CA 92648				Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. <input type="checkbox"/> You <input type="checkbox"/> Spouse		
Foreign country name		Foreign province/county		Foreign postal code		
Filing Status						
1 <input type="checkbox"/> Single						
2 <input checked="" type="checkbox"/> Married filing jointly (even if only one had income)						
3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above and full name here. ▶						
4 <input type="checkbox"/> Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶						
5 <input type="checkbox"/> Qualifying widow(er) with dependent child						
Check only one box.						
Exemptions						
6a <input type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a						
b <input type="checkbox"/> Spouse						
c Dependents:						
(1) First name		Last name		(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> If child under age 17 qualifying for child tax credit (see instructions)
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
						<input type="checkbox"/>
d Total number of exemptions claimed						
Boxes checked on 6a and 6b No. of children on 6c who: • lived with you • did not live with you due to divorce or separation (see instructions) Dependents on 6c not entered above Add numbers on lines above ▶						
Income						
7 Wages, salaries, tips, etc. Attach Form(s) W-2		7		40000		
8a Taxable interest. Attach Schedule B if required		8a		500		
b Tax-exempt interest. Do not include on line 8a		8b				
9a Ordinary dividends. Attach Schedule B if required		9a				
b Qualified dividends		9b				
10 Taxable refunds, credits, or offsets of state and local income taxes		10				
11 Alimony received		11				
12 Business income or (loss). Attach Schedule C or C-EZ		12				
13 Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ <input type="checkbox"/>		13		(3000)		
14 Other gains or (losses). Attach Form 4797		14				
15a IRA distributions		15a		b Taxable amount		
16a Pensions and annuities		16a		15b		
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E		17		16b		
18 Farm income or (loss). Attach Schedule F		18				
19 Unemployment compensation		19				
20a Social security benefits		20a		b Taxable amount		
21 Other income. List type and amount 1099C		21		5850		
22 Combine the amounts in the far right column for lines 7 through 21. This is your total income ▶		22		2500		
				45850		
Adjusted Gross Income						
23 Educator expenses		23				
24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ		24				
25 Health savings account deduction. Attach Form 8889		25				
26 Moving expenses. Attach Form 3903		26				
27 Deductible part of self-employment tax. Attach Schedule SE		27				
28 Self-employed SEP, SIMPLE, and qualified plans		28				
29 Self-employed health insurance deduction		29				
30 Penalty on early withdrawal of savings		30				
31a Alimony paid b Recipient's SSN ▶		31a				
32 IRA deduction		32				
33 Student loan interest deduction		33				
34 Tuition and fees. Attach Form 8917		34				
35 Domestic production activities deduction. Attach Form 8903		35				
36 Add lines 23 through 35		36				
37 Subtract line 36 from line 22. This is your adjusted gross income		37		45850		



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Form 1040 (2011)

Page **2****Tax and Credits****Standard Deduction for—**

- People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions.
- All others:
 - Single or Married filing separately, \$5,800
 - Married filing jointly or Qualifying widow(er), \$11,600
 - Head of household, \$8,500

38	Amount from line 37 (adjusted gross income)	38	45850
39a	Check <input type="checkbox"/> You were born before January 2, 1947, <input type="checkbox"/> Blind. } Total boxes checked 39a <input type="checkbox"/>		
	if: <input type="checkbox"/> Spouse was born before January 2, 1947, <input type="checkbox"/> Blind. }		
b	If your spouse itemizes on a separate return or you were a dual-status alien, check here 39b <input type="checkbox"/>		
40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	15800
41	Subtract line 40 from line 38	41	30050
42	Exemptions. Multiply \$3,700 by the number on line 6d.	42	7400
43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	22650
44	Tax (see instructions). Check if any from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972 c <input type="checkbox"/> 962 election	44	2551
45	Alternative minimum tax (see instructions). Attach Form 6251	45	
46	Add lines 44 and 45	46	
47	Foreign tax credit. Attach Form 1116 if required	47	
48	Credit for child and dependent care expenses. Attach Form 2441	48	
49	Education credits from Form 8863, line 23	49	400
50	Retirement savings contributions credit. Attach Form 8880	50	
51	Child tax credit (see instructions)	51	
52	Residential energy credits. Attach Form 5695	52	
53	Other credits from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	53	
54	Add lines 47 through 53. These are your total credits	54	400
55	Subtract line 54 from line 46. If line 54 is more than line 46, enter -0-	55	2151

Other Taxes

56	Self-employment tax. Attach Schedule SE	56	
57	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	57	
58	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	58	
59a	Household employment taxes from Schedule H	59a	
b	First-time homebuyer credit repayment. Attach Form 5405 if required	59b	
60	Other taxes. Enter code(s) from instructions	60	
61	Add lines 55 through 60. This is your total tax	61	2151

Payments

If you have a qualifying child, attach Schedule EIC.

62	Federal income tax withheld from Forms W-2 and 1099	62	2500
63	2011 estimated tax payments and amount applied from 2010 return	63	
64a	Earned income credit (EIC)	64a	
b	Nontaxable combat pay election 64b		
65	Additional child tax credit. Attach Form 8812	65	
66	American opportunity credit from Form 8863, line 14	66	
67	First-time homebuyer credit from Form 5405, line 10	67	
68	Amount paid with request for extension to file	68	
69	Excess social security and tier 1 RRTA tax withheld	69	
70	Credit for federal tax on fuels. Attach Form 4136	70	
71	Credits from Form: a <input type="checkbox"/> 2439 b <input type="checkbox"/> 8839 c <input type="checkbox"/> 8801 d <input type="checkbox"/> 8885	71	
72	Add lines 62, 63, 64a, and 65 through 71. These are your total payments	72	2500

Refund

73	If line 72 is more than line 61, subtract line 61 from line 72. This is the amount you overpaid	73	349
74a	Amount of line 73 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>	74a	349

Direct deposit? See instructions.

b	Routing number	1 2 1 0 5 8 7 8 2	c Type: <input checked="" type="checkbox"/> Checking <input type="checkbox"/> Savings
d	Account number	0 0 0 1 8 0 1 5 5	

75	Amount of line 73 you want applied to your 2012 estimated tax	75	
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Amount You Owe

76	Amount you owe. Subtract line 72 from line 61. For details on how to pay, see instructions	76	
77	Estimated tax penalty (see instructions)	77	

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☐ Yes. Complete below. ☐ No

Designee's name Phone no. Personal identification number (PIN)

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Joint return? See instructions. Keep a copy for your records.

Your signature	Date	Your occupation	Daytime phone number
CHRISTOPHER THOMAS	040112	RETIRED	8051111111
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	
TERRIE THOMAS	040112	TEACHER	

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name S71010355		Firm's EIN 		